

Department of Licensing  
Business and Professions Division  
Real Estate Appraiser Section

**REAL ESTATE APPRAISER COMMISSION MEETING MINUTES**

August 18, 2005

OPENING      The Real Estate Appraiser Commission Meeting was held at the Best Western Summit Inn, Snoqualmie Pass, Washington

**MEMBERS**

PRESENT:      Dean Potter, Chair  
Brent Palmer, Vice-Chair  
John P. Fredrickson, Commissioner  
Cheryl K. Farivar, Commissioner  
Stephen Juntala, Commissioner  
Michael Lighbourne, Commissioner

**STAFF**

PRESENT:      David Santhuff, Program Manager  
Ralph Birkedahl, Professional Licensing Manager

**I.**

**CALL TO ORDER:**

Chair Dean Potter called the meeting to order at 9:02 a.m. All Commissioners are present.

**MEMORIAL FOR COMMISSIONER LINDA OWINGS-ROSENBURGH**

**APPROVAL OF MINUTES:**

A motion was moved to approve February 18 and July 8, 2005 Commission Meeting minutes, seconded and approved.

**APPROVAL OF AGENDA:**

A motion was made to approve the agenda, seconded and passed.

**II.**

**OLD BUSINESS:**

**A.      COMMISSIONERS' BY-LAWS:**

Brent Palmer recommended minor corrections and moved that the By-Laws, with corrections, be adopted, the motion was seconded and passed unanimously.

David Santhuff agreed to make the corrections and provide the Commissioners with copies at the next meeting.

**B.      WAC REVISIONS:**

David Santhuff explained that the staff review for the proposed WAC was complete, however, during a meeting with members of the Office of the Attorney General further modification is required. The program will ask the Commission

for their vote of approval on the document for the Director to consider prior to the CR101 being submitted. The Commission will be able to vote on this document at the next scheduled meeting on November 18<sup>th</sup>. This will give the program enough time to push through the review process. The final rules hearing will be sometime in February which will provide enough time to implement by April 1, 2006 which is the target date for implementation of trainee registration.

There are not many changes to the basic document. There are four new sections that have significance. The first new section is the Application Process to Register as a Real Estate Appraiser Trainee, followed by Responsibilities of Appraiser Supervisors, the third new section is a combined section in Mailing Address and Physical Address and the last one is Membership and Participation in National Associations which was going to be a new section, however, it is deleted.

He continued with the other changes recommended by the Office of the Attorney General.

There will be additional definitions added which link directly to those definitions published the Appraiser Qualifications Board's as they relate to core curriculum subjects and core modules.

Any reference to core curriculum subjects as being the prescribed requirements for all categories of appraisers as approved by the Appraiser Qualifications Board shall also read "as approved by the Director of Department of Licensing".

There are two standards. One for qualifications and requirements up to a certain date. The old standards will remain as they are until January 1, 2007 and then the new qualifying educational requirements will become effective. Then when we come to the Certified General level, the old standard will remain in effect until November 1, 2007 when the new standards become effective. After January 2008, not only will applicants have to meet the new qualifying education but also meet the degree requirements.

Supervisory appraisers will personally inspect with the trainee as a minimum 25 properties. That inspection process can occur anytime during the trainee's supervisory period.

Michael Lightbourne suggested that a supervisory could simply drive-by 25 properties and that would meet the requirement. With this wording the unscrupulous supervisory appraiser can just complete drive-bys and state that he inspected 25 properties with the trainee.

Michael Lightbourne said that there are some that will ask what the law requires and that's what they will do.

Cheryl Farivar suggested that the department add a simple check box to the log indicating that the supervisory appraiser personally inspected the property.

After a brief discussion regarding this issue, Dean Potter suggested that the meeting move forward.

David Santhuff informed the commission that all appraisal experience obtained prior to April 1, 2006 will be acceptable.

David Santhuff continued with minor changes and finished his presentation.

Dean Potter, Cheryl Farivar and Stephen Juntala thanked everyone involved in the development of the proposed rules.

Dean Potter opened the issue for public comment.

Wendy Munson addressed the Commission in support of the change to 25 inspections by the supervisory appraiser with the trainee. However, she recommended that wording from the Appraisal Qualification Board criteria be added. She suggested the addition of the following: Personally inspect each appraised property with the appraiser trainee until the supervising appraiser determines that the trainee is competent in accordance with the Competency Rule of the Uniform Standards of Professional Appraisal Practice for the property type. At a minimum a trainee must submit an appraisal log demonstrating 25 supervised interior inspections.

Bill King commented on the course approval process. Because some courses are time sensitive, he was concerned with the 90-day lead time for submission.

David Santhuff responded that at present 10 days is adequate, however, next year in the October to January 2007 time frame the program will be inundated with new applications.

Bill King suggested that the rule allow for flexibility for time sensitive courses.

David Santhuff suggested that the 90-day requirement be deleted from the rule and the submission of the application be required prior to the course start date.

Bill King thought the fee was too high and problematic.

Brent Palmer stated that the cost per course should be based on the number hours it takes to review and approve the course, not the hours involved in the course.

David Santhuff responded suggesting that, pending a further study of the actual cost and a small business impact study, the course approval fee provision be deleted this time and address it again next year. This could possibly be accomplished by January 1, 2007.

George Nervik recommended that the 25 inspections be the first 25 inspections.

Peter Coulton brought up the issue of Certified General Real Estate Appraisers having no residential experience and being allowed, by virtue of their classification, to appraise any type of property including residential properties.

He suggested that an appraiser be required to obtain a Certified Residential Appraiser's license before being allowed to apply for Certified General.

Barry Wilson commented on the new section regarding the educational requirements prior to registration. He felt that the 75-hour requirement is an excessive expense for someone who doesn't know if they want to become an appraiser until they have some experience. He felt that completion of the Appraisal Principles course would be sufficient. He also commented on the effective date of the Uniform Standards of Professional Appraisal Practice saying that it should read the effective date of value rather than the date the appraisal is completed.

Dean Potter thanked Jim Irish for the work he did on the Trainee Bill.

The Commission heard, discussed and decided to further look at all issues.

### **III.**

#### **REPORTS:**

##### **A. PROGRAM STATUS REPORT:**

David Santhuff gave the program status report. He reported that transactions will climb to 5,500 or more with the trainees. It will be very taxing to the program.

He also reported that all funds will now be controlled at the Assistant Director's level. The allotted funds for this biennium is the same as last biennium. He projected revenue will exceed the allotment by another 300,000 dollars. He reported that in order to obtain additional allotment, the program would have to submit a decision package.

### **III.**

#### **NEW BUSINESS**

##### **A. INCREASE IN COMPENSATION FOR APPRAISAL REVIEWS:**

David Santhuff informed the Commission that Expert Review Appraisers may be reimbursed at the same rate as Commissioners, \$50 per day. Recently, he had been told by these reviewers that these reviews were not worth their time.

Dean Potter suggested that the Commission study this issue and make a recommendation. It was moved, seconded and passed that the Commission study this issue. The motion was amended to allow the chair the flexibility to assign a two or three person work group among the Commissioners.

It was decided to postpone this work group until the November meeting.

Because of the time frames involved with decision packages and the legislature schedule, Dean Potter said that the Commission may look at this issue earlier.

##### **B. CONTRACTING FOR COURSE APPROVAL REVIEWS:**

Michael Lightbourne recommended that the Education Work Group be committed to research this issue and make recommendations. He said that we need to look at what other states are doing. It was moved, seconded and passed.

**C. IMPLEMENTATION OF INACTIVE STATUS:**

Brent Palmer moved to defer this issue to the November meeting. The motion was seconded and passed.

**IV. EDUCATION WORK GROUP REPORT:**

Michael Lightbourne gave a status report. The group has its first meeting scheduled on this date. Will give an update during the November meeting. He additionally stated that the group will look at instructor qualifications, course provider qualifications, course curriculum, matrix and the educational structures. The group will look at all aspects of education in the state of Washington.

**III. OPEN FORUM**

David Santhuff informed the attendees and the Real Estate Appraiser Commission of his resignation to be effective September 1, 2005.

David Santhuff was thanked by several attendees for his service to the appraisal profession.

**IV. ADJOURNMENT**

There being no further business, a motion was made, seconded and passed to adjourn. Meeting was adjourned at 12:15 p.m.

Respectfully Submitted,

**Original Signed**

Ralph C. Birkedahl  
Acting Program Manager  
Real Estate Appraiser Program